## 6/14/77 [2]

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## THE PRESIDENT'S SCHEDULE

## Tuesday - June 14, 1977

8:15	Dr. Zbigniew Brzezinski - The Oval Office.
8:45	Mr. Frank Moore - The Oval Office.
9:30	Mr. Jody Powell - The Oval Office.
/9:45 (10 min.)	Drop-By Meeting of Leaders of Veteran/ Military Groups. (Ms. Midge Costanza). The Roosevelt Room.
10:00 (2 hrs.)	Budget Review Meeting. (Mr. Bert Lance). The Cabinet Room.
1:30 (90 min.)	Budget Review Meeting. (Mr. Bert Lance). The Cabinet Room.
3:15 (15 min.)	Secretary Harold Brown - The Oval Office.
4:00 (15 min.)	Meeting with Senator Joseph R. Biden, Jr. and the Delaware Delegation. (Mr. Frank Moore) - The Cabinet Room.
4:20 (15 min.)	Drop-By White House Conference on HIRE. The East Room.
4:40 (10 min.)	Reception for the Inaugural Portfolio Artists - The Rose Garden.



THE WHITE HOUSE WASHINGTON

June 14, 1977

Gretchen Poston

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Z. Brzezinski Frank Moore



# THE WHITE HOUSE WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
	X	MOORE
		POWELL
		WATSON

ENROLLED BILL
AGENCY REPORT
CAB DECISION
EXECUTIVE ORDER
Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
X	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
X	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

WASHINGTON

June 13, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

GRETCHEN POSTON

Sp

RE:

GUEST LIST FOR PM FRASER LUNCHEON 12:30 p.m. - June 22, 1977

Suggested guest list from NSC and Frank Moore:

The President
The Vice President
Secretary of State Vance
Dr. Z. Brzezinski
Ambassador Philip Alston, Jr.
Assistant Secretary of State Richard Holbrooke
Michael Armacost, Senior Member, NSC

Speaker Thomas P. O'Neill, Jr. Rep. John Rhodes Rep. Anthony Beilenson

Senator Robert C. Byrd Senator John Glenn Senator James B. Pearson

Prime Minister Fraser Foreign Minister Peacock Other members of official party from Australia

Approved

Disapproved

1

Electrostatic Copy Made for Preservation Purposes

# THE WHITE HOUSE WASHINGTON

June 14, 1977

Stu Eizenstat -

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

## Rick Hutcheson

cc: Frank Moore
Jack Watson
Landon Butler
Tim Kraft
Charlie Schultze

Re: Humphrey-Hawkins Bill







ON		
ACTI	FYI	
_		MONDALE
		COSTANZA
7	X	EIZENSTAT
		JORDAN
		LIPSHUTZ
	V	MOORE
		POWELL
	X	WATSON

ENROLLED BILL
AGENCY REPORT
CAB DECISION
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Comments due to
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1-	
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	BOURNE
	BRZEZINSKI
X	BUTLER
	CARP
	H. CARTER
1	CLOUGH
	FALLOWS
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	HARDEN
	HOYT
1	HUTCHESON
1	JAGODA
1	KING

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	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
X	SCHULTZE
	SIEGEL
	SMITH
2	STRAUSS
	WELLS
	VOORDE

WASHINGTON

ACTION

11 June 1977

TO:

THE PRESIDENT

FROM:

RICK HUTCHESON

SUBJECT:

Summary of Blumenthal Memo on

Humphrey-Hawkins Bill

Secretary Blumenthal has submitted a memo on Humphrey-Hawkins asking that "after the Congressional sounding out process is completed, you meet briefly with the Cabinet members and advisors most directly involved before making a final decision."

Stu comments that he continues to believe that frank discussions with O'Neill should take place before overtures are made to Hawkins, and before the President is identified as having personally taken up this question. The principal issues are:

- Will Hawkins agree to a compromise as suggested by Schultze? (Stu says that consultations with Humphrey's staff indicate that there is some possibility of reaching such a compromise with Humphrey.)
- If Hawkins will not accept a compromise, how can we achieve a coordinated strategy with Democratic floor leaders in the House to avoid a divisive floor fight (although one which the Administration would surely win)?

Stu agrees with Blumenthal that after O'Neill's views are known, a meeting with your principal economic advisors would be appropriate, and says Schultze concurs.

approve meeting with appropriate Cabinet officers and advisors after congressional consultations are com-Report in Conf. pleted, before making a final decision

disapprove meeting

**Electrostatic Copy Made** for Preservation Purposes

June 14, 1977

MEMORANDUM FOR

THE HONORABLE W. MICHAEL BLUMENTHAL SECRETARY OF THE TREASURY

Re: Memorandum of June 6, 1977 on Humphrey-Hawkins Bill

For your information, the President asked for a report in writing of the results of Congressional consultations; and approved a possible meeting with appropriate Cabinet of ficers and advisors after Congressional consultations are completed, before making a final decision on the above subject.

Rick Hutcheson Staff Secretary

cc: Stu Eizenstat Jack Watson THE WHITE HOUSE WASHINGTON

Send note to Blumenthal: re memo on Humphrey-Hawkins bill. The-Prsident-

The President asked for a report in writing of the results of congressional consultations; and approved a possible meeting with appropriate Cabinet officers and advisors after congressional consultations are completed, before making a final decision.

Rick

WASHINGTON

ACTION 11 June 1977

TO: THE PRESIDENT

FROM: RICK HUTCHESON

SUBJECT: Summary of Blumenthal Memo on

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 approve	meeting	with	app	propri	ate	Cabinet	off	ice	ers	and
advisors	s after	congre	SS	ional	cons	sultation	ns a	re	CON	1-
pleted,	before	making	a	final	dec	cision				

\_\_\_\_disapprove meeting



## THE SECRETARY OF THE TREASURY WASHINGTON 20220

June 10, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

CHAIRMAN, ECONOMIC POLICY GROUP

SUBJECT: HUMPHREY-HAWKINS BILL

I understand that you talked with Charlie Schultze about the Humphrey-Hawkins bill and that consultation with Tip O'Neill is underway. I also understand that you inquired about background on the substance of this issue. The attached report of the EPG may be of interest to you in this request.

As explained in the EPG memo, I recommend that after the Congressional sounding out process is completed, you meet briefly with the Cabinet members and advisers most directly involved before making a final decision.

APPROVE	DISAPPROVE
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Attachment

As stated



## THE SECRETARY OF THE TREASURY WASHINGTON 20220

June 6, 1977

1977 JUN 6 PM 3 48

MEMORANDUM FOR THE PRESIDENT

FROM: W. MICHAEL BLUMENTHAL

CHAIRMAN, ECONOMIC POLICY GROUP

SUBJECT: HUMPHREY-HAWKINS BILL

## SUMMARY

A revised version of the Humphrey-Hawkins Bill (H.R. 50) was introduced in Congress in January. While the new version incorporates a number of changes designed to meet criticisms leveled at last year's bill, the EPG believes that the current bill is unacceptable. As we are under pressure from the bill's sponsors to respond, we must decide whether to work for change within the existing bill or offer to submit our own legislation. Though you have asked for further consultations on the Hill, an early meeting with key Cabinet members and advisors is advisable.

### BACKGROUND

While we agree with the general objectives of Humphrey-Hawkins, all the EPG members feel that the bill would have to be modified extensively before the Administration could support it. Attachment A reviews our principal objections to the bill.

In view of these extensive objections, the EPG considered an outline of an alternative bill which attempted to incorporate the acceptable provisions of Humphrey-Hawkins while omitting its objectionable features. However, the alternate bill diverges so far from the original one, that we felt it might only antagonize the sponsors. Charlie Schultze and Ray Marshall therefore met with Messrs. Humphrey and Hawkins to assess their likely reaction to an alternative bill. These meetings suggested that there were some grounds for compromise with both sponsors, more so with Humphrey than with Hawkins. Hawkins specifically indicated that retention of some kind of numerical full

employment goal and a "last resort" jobs provision were essential. This has apparently become an important objective of the Black caucus.

Following the meetings, Hawkins sent a letter (Attachment B) to Schultze asking for suggested changes to the bill and offering the possibility of negotiation with the Administration. The tone of his letter, however, suggested that significant departures from the existing Humphrey-Hawkins bill would be unacceptable.

## NEXT STEPS

The EPG met again to discuss the Hawkins letter and decided that there were basically two options for responding: (1) offer to negotiate revisions and modifications in the existing bill, or (2) offer to send to Congress a new bill along the lines of Attachment C. Either you personally, or Schultze, could present the approved option to the bill's sponsors.

OPTION 1: Work with the existing bill (Commerce, Labor and HUD support). This would be responsive to Hawkin's request in his letter to Schultze. It would represent a good-faith offer to the bill's sponsors to meet them part-way, and affirm the Administration's commitment to the bill's general objectives. However, since the necessary changes markedly alter the original bill, this approach may simply antagonize the sponsors and precipitate political difficulties for the Administration. Moreover, should the sponsors agree to negotiation, the process of doing so would be lengthy and could result in irreconcilable disagreements several months hence.

OPTION 2: Offer to submit an Administration bill to Congress. (CEA and Treasury support.) This would finally make clear the Administration's position and eliminate the possibility of a lengthy and perhaps fruitless bargaining process. At the same time, this approach may invite a strong negative reaction; Hawkins expressly cautioned against putting forward an Administration bill. If the sponsors were to reject this suggestion, you could indicate your unwillingness to support the bill as it now stands, and note that the Administration would present its views when the hearings got underway.

OMB has submitted a seperate memorandum.

Tactically, either you or Schultze could communicate your decision to the bill's sponsors. Using Schultze as an intermediary would maintain the dialogue at the level at which negotiation has already taken place. If negotiations broke down, then you would be one step removed from the resulting blowup with the Black Caucus. Your direct participation through a meeting with the sponsors of the bill, on the other hand, would demonstrate your personal interest in the underlying concerns of the bill. Conceivably your direct communication to the bill's sponsors that substantial changes would have to be made, might convince them to accept change or drop the bill entirely. On the other hand, if this didn't work, you would have been directly involved in turning them down. In either case, Speaker O'Neill should be consulted before going back to the bill's sponsors as Schultze has been working through his office.

## RECOMMENDATION:

In view of the sensitive nature of this problem, I recommend that you have a brief meeting with a few of the Cabinet members and advisors most directly involved before you make a final decision. Based on separate memos submitted by Lance and Eizenstat, you have instructed Frank Moore to take soundings on a compromise approach. Accordingly, Moore should be included in our meeting.

APPROVE	DISAPPROVE
111 1 1(0 / 1)	DECINE INCOL

Attachments:

As stated.

#### WASHINGTON

June 9, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Blumenthal's Memo on Humphrey-Hawkins

In my view the key interrelated issues are (1) whether an acceptable compromise on Humphrey-Hawkins can be reached and (2) whether we want to encourage the House to take up the bill or to discourage them.

- Charlie Schultze has developed and outlined a
  potential compromise. Essentially this involves
  a format with five-year long-term targets, twoyear goals, strengthened provisions regarding inflation and a relaxation of the requirement that
  government serve as employer of last resort.
- Discussions with Senator Humphrey's staff (initiated at their request) lead us to believe that there is some possibility of compromise with Senator Humphrey along these lines.

However, there remains substantial doubt that Gus Hawkins would accept this approach.

It seems to us that two main questions remain:

- (1) Will Representative Hawkins agree to this kind of a compromise?
- (2) If he will not, how can we achieve a coordinated strategy with the Democratic leaders in the House to avoid a divisive public floor fight (although the Administration would surely win)?

I continue to believe that this issue should be discussed frankly with Tip O'Neill before overtures are made to Representative Hawkins and before you are identified as personally having taken up this question. With O'Neill's views in hand (and perhaps those of Brademas as well) a much more informed decision could be made. At that point a meeting with your principal economic advisers would be in order.

Charlie Schultze agrees with this, and it is consistent with my memorandum to you of June 4. I understand it reflects the substance of Charlie's discussion with you.

WASHINGTON

June 6, 1977

The Vice President
Stu Eizenstat
Frank Moore
Jody Powell
Jack Watson
Bert Lance
Charlie Schultze
Landon Butler

Re: Tactics on the Humphrey-Hawkins Bill

The attached was returned in the President's outbox and is forwarded to you for your information and appropriate action.

Rick Hutcheson

# THE WHITE HOUSE WASHINGTON

Mr. President:

Jack notes the importance of negotiating with the Black Caucus in addition to Speaker O'Neill. "In contrast to Pat Harris's view, it would be a mistake to negotiate with the Caucus as a group and suggests..a series of individual meetings because the interests of some members diverge." He also points out that the Caucus is giving this bill the highest priority during the 95th Congress, and it makes sense to Jack to deal with the utmost sensitivity.

Midge points out that you endorsed this bill during the campaign; any backing down would undermine the expectations of the liberal and progressive wings of the Democratic Party and "it is in the area of unemployment that the Administration could ultimately be most vulnerable".

Stu's comments are attached.

Charlie Schultze concurs with Lance.

The Vice President and Hamilton have no comment.

Rick (wds)

# THE WHITE HOUSE WASHINGTON

ACTION	FYI	
	X	MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
		LIPSHUTZ
	X	MOORE
	X	POWELL
	X	WATSON

ENROLLED BILL
AGENCY REPORT
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	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
X	SCHULTZE
	SIEGEL
	SMITH
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	WELLS
	VOORDE

## THE PRESIDENT HAS SEEN.



## EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MAY 31 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

SUBJECT:

Tactics on the Humphrey-Hawkins Bill

Last year you endorsed the Humphrey-Hawkins Bill subject to some modifications, and the bill was subsequently endorsed in the Democratic Party platform. Since February the Economic Policy Group has been engaged in discussions of the modifications which would be necessary to make the bill acceptable. Representative Hawkins regards both a very low numerical full employment unemployment rate and a guarantee of government jobs as essential ingredients of any bill he would sponsor. Now I conclude that there may be no version which could be consistent with both moderate principles of economic policy and the true objectives of the sponsors of the bill.

The real problem is the question of how to convey this sentiment to the Congress without exacerbating already strained relations with the most liberal wing of the party. Some feel that by continuing discussion in the Economic Policy Group and consultations with Representative Hawkins and others we may in fact be raising expectations and indirectly keeping the bill alive.

At this point, we have two possible paths. One is to take up with Tip O'Neill the possibility of working through a compromise based on the very modest alternative the EPG is willing to support. The other is to make our opposition known now. I think it is critical for you to talk with Charlie Schultze and your other advisors within the next few days about which policy to take. Clearly there will be serious political problems with either choice, but I think it is important to make the call now. This will make the situation less awkward, clear the air, and make it much easier to ensure consistency in the testimony which Administration spokesmen will be asked to give on the bill. At the same time, we can emphasize the positive aspects of the proposals that we have made and will make relating to employment creation. And we can endorse once more the concept of full employment. Charlie joins me on urging a quick resolution on this issue.

> **Electrostatic Copy Made** for Preservation Purposes

#### WASHINGTON

June 4, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Bert Lance Memo on Humphrey-Hawkins

I agree with Bert Lance's statement that we need to decide soon on a strategy toward the Humphrey-Hawkins Bill. However, I believe that additional consultation among leading Democrats is essential before a decision is reached.

There is little enthusiasm among Congressional Democrats for this bill -- as is evident by the fact that the House refused to take it up when it was passed out of Committee last fall. I would stress the point made in Bert's memo that our interest may be as important as any other factor in keeping the bill alive. I agree with Bert that there are essentially two options:

- -- Oppose the bill. This would raise the full employment issue in a highly visible way.
- -- Offer a compromise along the lines developed by Charlie Schultze which avoids a direct split but which may well not be acceptable to Hawkins. Since we did make numerous positive statements about Humphrey-Hawkins during the campaign; since Congressman Hawkins has made truly good faith efforts to accommodate every change we suggested (both during and since the campaign); and because of the already somewhat strained feelings among some Congressional liberals, it is important that the Administration be perceived as having made every effort to reach an accommodation. If our offer is ultimately rejected by Hawkins, the rejection will be his, not ours.

Since this is an issue on which the majority of Congressional Democrats seem to share our own reservations, I would urge that Frank Moore engage in private discussions with a range of leading Democrats, including the Speaker and the Majority Leader, and then report to you.

In no case should you presently become involved at this point.

## THE PRESIDENT HAS SEEN.



# OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

Stu's advice

MAY 31 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Bert Lance

SUBJECT:

Tactics on the Humphrey-Hawkins Bill

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Since this is an issue on which the majority of Congressional Democrats seem to share our own reservations, I would urge that Frank Moore engage in private discussions with a range of leading Democrats, including the Speaker and the Majority Leader, and then report to you.

In no case should you presently become involved at this point.

FOR INFORMATION: Tim Kraft

## THE WHITE HOUSE

WASHINGTON

Date:

June 7, 1977

MEMORANDUM

A Charlie Schultze - No

FOR ACTION:

The Vice President

Stu Eizenstat attacker

Frank Moore

Jack Watson - some comment on The H/H memo

Landon Butler Bert Lance

FROM: Rick Hutcheson, Staff Secretary

Secretary Blumenthal memo 6/6 re Humphrey-Hawkins SUBJECT:

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 7:00 P.M.

DAY: THURSDAY

DATE: JUNE 9, 1977

**ACTION REQUESTED:** 

X Your comments

Other:

STAFF RESPONSE:

\_ I concur.

No comment.

Please note other comments below:

## PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052) THE WHITE HOUSE
WASHINGTON

	ACTION	FYI	
1	X		MONDALE
			COSTANZA
	×		EIZENSTAT
6			JORDAN
			LIPSHUTZ
-	X		MOORE
			POWELL
-	X		WATSON
	X		WATSON

1	X	FOR STAFFING
1		FOR INFORMATION
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		LOG IN/TO PRESIDENT TODAY
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	SCHNEIDERS
X	SCHULTZE
	SIEGEL
	SMITH
1	STRAUSS
	WELLS
	VOORDE

Date: June 7, 1977

MEMORANDUM

FOR ACTION:

The Vice President

Stu Eizenstat
Frank Moore
Jack Watson
Landon Butler

FOR INFORMATION: Tim Kraft

Charlie Schultzer

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Secretary Blumenthal memo 6/6 re Humphrey-Hawkins

Bill.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 7:00 P.M.

DAY: THURSDAY

DATE: JUNE 9, 1977

**ACTION REQUESTED:** 

X Your comments

Other:

STAFF RESPONSE:

\_\_\_\_ I concur.

Please note other comments below:

No comment.

called u/8/77

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

## PRINCIPAL OBJECTIONS TO THE HUMPHREY-HAWKINS BILL

## 1. NUMERICAL FULL-EMPLOYMENT GOAL

The bill defines "full employment" as a three percent rate of unemployment for adults 20 years or older. This goal is to be reached within four years of enactment of the bill. The goal and its timetable are not to be set aside in order to gain control over inflation.

## Objections:

- A three percent rate of unemployment for adults 20 years and older is equivalent to an overall unemployment rate of about four percent. Given the current structure of labor markets, efforts to achieve a four percent unemployment rate within four years could lead to an accelerating rate of inflation.
- It seems inappropriate to include in this legislation a fixed numerical full-employment goal, applicable on a permanent basis. Because of continuing changes in the characteristics of the labor force and the difficulty in determining the effectiveness of existing programs to reduce structural unemployment and increase the skills of the work force, we cannot be certain what the "full-employment unemployment rate" will be five or ten years from now.

#### 2. INFLATION GOAL

The bill sets as an objective the prevention of an increase in inflation above the rate that exists on the date of enactment. In addition, efforts to reduce the rate of inflation are not to be sought

"through any weakening of the goals and timetable relating to reduction of unemployment."

## Objections:

- Achievement and maintenance of full employment cannot be realized unless inflation is brought under better control. The goal of achieving reasonable price stability should therefore be given more prominence.
- Macroeconomic policies would effectively be precluded from dealing with inflation until the full-employment goal had been reached.
- Allowance should be made for flexibility of macroeconomic policy in situations where the twin goals of low unemployment and inflation are in conflict.

# 3. MANPOWER TRAINING, PUBLIC SERVICE JOBS, OTHER STRUCTURAL MEASURES, AND LAST RESORT JOBS

Title II of the bill contains a detailed listing of various labor market and structural measures to be considered by the President to reduce unemployment, together with a set of tight deadlines for submitting recommendations in these areas. In addition, when all other measures fail, the Federal Government is to become the employer of last resort.

## Objections:

Many of the specific jobs programs enumerated in Title II have already been recommended by the Administration and enacted by the Congress. The provisions of Title II therefore seem unnecessary.

- . The detailed requirements and timetables set forth in Title II would seriously limit the flexibility of the Administration in formulating structural employment policies in the future.
- In its proposals for welfare reform, the Administration is committed to undertaking an experiment which will attempt to provide "last resort" public sector jobs to a large number of low-income individuals. Time is needed to evaluate this effort before expanding the commitment. It would therefore be unwise to establish the government as a general employer of last resort.

## 4. PLANNING PROVISIONS

The bill requires the President to develop a Full-Employment and Balanced Growth Plan, setting forth long-term goals for "full employment, production, purchasing power and other priority purposes," together with proposals to achieve these goals.

### Objections:

. This would require the establishment of an extensive and costly new mechanism for consideration of long-range issues and policies.

- exists within the Federal Government. With some redirection, these resources could be used to achieve the essential purposes of the planning sections of the bill.
- . To the business community, these provisions seem to threaten a significant enlargement of governmental interference in the private economy.

## 5. FEDERAL RESERVE

The Federal Reserve is instructed to submit to the President and Congress its plans for monetary policy in support of the President's economic goals. If the President decides that the Board's policies are not consistent with achievement of his goals, he is to make recommendations to the Board and to Congress to insure closer conformity "to the purposes of this Act."

## Objections:

- An ongoing public confrontation between the Board and the Executive Branch would be the likely result of these provisions. Such a confrontation would contribute little to the effective coordination of monetary and fiscal policy.
- By in effect making the Board responsible to the Executive Branch, these provisions appear to raise Constitutional issues.

Hawkins letter to Schultze

AUGUSTUS F. HAWKINS 29TH L'ISTRICT, CALIFORNIA

COMMITTEES EDUCATION AND LABOR

SUDCOMMITTEES:

EQUAL OPPORTUNITIES, CHAIRMAN MANPOWER, COMPENSATION, AND HEALTH AND SAFETY POSTSECONDARY EDUCATION

HOUSE ADMINISTRATION SUBCOMMITTEES: ELECTRICAL AND MECHANICAL OFFICE EQUIPMENT, CHAIRMAN ACCOUNTS PERSONNEL AND POLICE

Congress of the United States & LS . ADMINISTRATIVE ASSISTANT

House of Representatives

Washington, D.C. 20515

May\_11, 1977

Date 5// 2ESSO RAYEURN HOUSE OFFICE BUILDING WASHINGTON, D.C. 20515
TELEPHONE: 225-2201

Los ANGELES OFFICES: 936 WEST MANCHESTER AVENUE TELEPHONE: 750-0260

HUNTINGTON PARK OFFICE: 2710 ZOE AVENUE TELEPHONE: 587-0421

> CHARLES E. KNOX SPECIAL ASSISTANT

Honorable Charles Schultze Chairman, Council of Economic Advisors Room 314 Old Executive Office Building Washington, D.C. 20506

ATTACHMENT B

Dear Dr. Schultze:

I appreciated your coming over to my office on May 5th with Secretary Marshall and your CEA colleague to discuss H.R. 50, the "Full Employment and Balanced Growth Act", and I was encouraged by the indications that the sponsors and the Administration may be able quickly to minimize or even eliminate any remaining differences with respect to this proposal.

I regret that Committee duties prevented me from being present throughout the entire meeting, but I was there long enough to get the total picture. As to eliminating a specific goal and timetable for the reduction of unemployment, it was made clear why neither the sponsors nor the supporters of the Bill could agree to this, although some variations in the language, or additions to it, might be possible. As to some general streamlining, and removing the large number of 90 day provisions, that may be feasible. As to the last-resort provisions, which are essential, I believe a rereading of the bill and the new pamphlet will convince you that the "prevailing wage provision" and others to which you earlier objected have been removed, but some changes in the language may be possible. As to the antiinflationary provisions, any suggestions you may have for their strengthening will be carefully considered, including the provision relating to holding inflation to the rate at time of enactment.

However, time is now of the essence, and the sponsors have been generous in awaiting the Administration's views. For these and other reasons going to the basic responsibilities of the sponsors and others in the Congress, I do not believe that it would be profitable for you, or others working with

Dr. Charles Schultze May 11, 1977 Page 2

you, to attempt extensive redrafting, which would also involve very extensive further delays. A "substitute" draft of the bill considering its long history, would be unworkable and inimical.

I therefore suggest that you indicate, as briefly as feasible, your suggested changes if any, not excluding legislative language where necessary. The sponsors would give these suggestions very prompt attention, translate into legislative language any agreed upon suggestions, and then meet with you again for further discussion. But again, I stress the need for deliberate speed, and would appreciate by phone your estimate now as to when you will be ready.

With all good wishes,

Sincerely

Member of Congress

AFH:68
CC: Secretary Marshall
Senator Humphrey

New Bill

### ESSENTIAL ELEMENTS OF A BILL ACCEPTABLE TO THE ADMINISTRATION

While legislation along these lines could still carry the name
"Humphrey-Hawkins" and retain the spirit of the original bill, it would
omit the objectionable features noted in Attachment A.

- Declaration that unemployment, inflation and low productivity growth are major national problems; that it is the continuing policy of the Federal Government to remedy these problems; that better coordination of macroeconomic policy-making is desirable; and that more attention should be paid to longer run issues and policies.
- 2. Each year the President would be required to set forward two-year goals for real output, unemployment, and inflation, and recommend appropriate economic policies to achieve these goals.
- 3. The <u>Congress would</u> review the two-year economic goals set forth by the <u>President and establish its own set of numerical</u> goals within the context of the Concurrent Budget Resolutions.
- 4. The Federal Reserve would be directed to pursue monetary policies consistent with the economic goals established by Congress.

- each year to establish five-year interim targets for real output, unemployment, and inflation. The legislation itself could specify that the long-run target for unemployment contained in the President's first annual submission should not be higher than some predetermined number. The 4-3/4 percent unemployment target that we have already announced for 1981 would be an appropriate number. In addition, the legislation could specify an objective of working towards lower rates in subsequent years, without mentioning a specific number.
- 6. The Economic Report of the President would be directed to discuss and recommend overall economic policies to achieve these interim targets, given an assessment of trends in major sectors of the economy.
- 7. The Economic Report would be required to provide long-run projections of labor force and capacity expansion, and discuss the likelihood of supply bottlenecks.
- 8. The Economic Report would be required to review existing
  structural policies designed to reduce unemployment and
  inflation and to raise productivity. The President would be
  directed to recommend, as appropriate, modifications of existing
  employment and other programs or the undertaking of new programs
  designed to achieve the five-year targets. The legislation
  could enumerate the kinds of approaches that should be considered.

without directing the President to adopt any particular set of policies.

-

Date:

June 7, 1977

FOR INFORMATION: Tim Kraft

FOR ACTION:

The Vice President

Stu Eizenstat

Frank Moore Jack Watson

Landon Butler

Charlie Schultze

1977 JUN 8 AM 8 16

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Secretary Blumenthal memo 6/6 re Humphrey-Hawkins

Bill.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 7:00 P.M.

DAY: THURSDAY

DATE: JUNE 9, 1977

**ACTION REQUESTED:** 

X Your comments

Other:

STAFF RESPONSE:

\_\_\_ l concur.

No comment.

Saturday are applicable to this memorandum.

Please note other comments below:

Rick:

Attached is a very brief memorandum from Secretary Blumenthal on Humphrey-Hawkins, as per your discussion with Dick Fisher yesterday.

The attachment to this memorandum is the EPG memo dated June 6, the original of which you are holding.

I believe this is as much as the President would want to see pending completion of the Congressional soundings.

Ernest H. Preeg

Attachment

WASHINGTON

June 9, 1977

MEMORANDUM FOR:

RICK HUTCHESON

FROM:

LANDON BUTLER

SUBJECT:

BLUMENTHANL MEMO re: HUMPHREY-HAWKINS BILL

Joe Aragon's response to the Blumenthal memo is attached. It proposes, in the context of that memo an alternative approach to Humphrey-Hawkins.

However, our more basic view is that it presents the President with options that could be worked out at the Domestic Council or Secretarial level. I would urge that Stu be given the responsibility of clarifying our response, and summarizing the issues for the President.

#### WASHINGTON

June 9, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

JOE ARAGON JA

SUBJECT:

BLUMENTHAL MEMO re: HUMPHREY-HAWKINS BILL

### CONCLUSION

There is a third alternative to the two set forth in Blumenthal's memo i.e. diplomatically decline to support the bill but refrain as well from introducing one of our own.

### DISCUSSION

It is clear that short of changes which are apparently unacceptable to Hawkins there is no way to reconcile the fundamental differences between the administration's approach and that of Humphrey-Hawkins.

On the other hand, submitting our own bill would not only antagonize Hawkins by doing what he expressly asked that we not do, but it would have the additional consequence of dragging out the issue over a longer period of time, with democrats divided and positions becoming polarized.

We will need the support of the Black Caucus for other issues of mutual concern for us. Therefore, we do not want to preclude future cooperation by a divisive fight in public which would help only Republicans.

### RECOMMENDATION

I believe a better alternative would be:

(1) To advise the Democratic leadership of the course of action being contemplated and seek their counsel as to how misunderstandings and ill feelings among the Black Caucus might be minimized.

- (2) To privately indicate to the bill's sponsors that the White House will neither support nor oppose the bill;
- (3) Indicate that at this time there are no plans to submit a new bill;
- (4) Try to identify other legislative priorities of the Black Caucus which we could help on;
- (5) Try to find other ways to reassure the Caucus that this Administration is sensitive to their concerns and intends wherever feasible to support their efforts.

WASHINGTON

June 6, 1977

The Vice President
Stu Eizenstat
Frank Moore
Jody Powell
Jack Watson
Bert Lance
Charlie Schultze
Landon Butler

Re: Tactics on the Humphrey-Hawkins Bill

The attached was returned in the President's outbox and is forwarded to you for your information and appropriate action.

Rick Hutcheson

RICH LOOKS

LIKE L

#### THE PRESIDENT HAS SEEN.



# EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MAY 31 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

SUBJECT:

Tactics on the Humphrey-Hawkins Bill

Last year you endorsed the Humphrey-Hawkins Bill subject to some modifications, and the bill was subsequently endorsed in the Democratic Party platform. Since February the Economic Policy Group has been engaged in discussions of the modifications which would be necessary to make the bill acceptable. Representative Hawkins regards both a very low numerical full employment unemployment rate and a guarantee of government jobs as essential ingredients of any bill he would sponsor. Now I conclude that there may be no version which could be consistent with both moderate principles of economic policy and the true objectives of the sponsors of the bill.

The real problem is the question of how to convey this sentiment to the Congress without exacerbating already strained relations with the most liberal wing of the party. Some feel that by continuing discussion in the Economic Policy Group and consultations with Representative Hawkins and others we may in fact be raising expectations and indirectly keeping the bill alive.

At this point, we have two possible paths. One is to take up with Tip O'Neill the possibility of working through a compromise based on the very modest alternative the EPG is willing to support. The other is to make our opposition known now. I think it is critical for you to talk with Charlie Schultze and your other advisors within the next few days about which policy to take. Clearly there will be serious political problems with either choice, but I think it is important to make the call now. This will make the situation less awkward, clear the air, and make it much easier to ensure consistency in the testimony which Administration spokesmen will be asked to give on the bill. At the same time, we can emphasize the positive aspects of the proposals that we have made and will make relating to employment creation. And we can endorse once more the concept of full employment. Charlie joins me on urging a quick resolution on this issue.

WASHINGTON

June 4, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Bert Lance Memo on Humphrey-Hawkins

I agree with Bert Lance's statement that we need to decide soon on a strategy toward the Humphrey-Hawkins Bill. However, I believe that additional consultation among leading Democrats is essential before a decision is reached.

There is little enthusiasm among Congressional Democrats for this bill -- as is evident by the fact that the House refused to take it up when it was passed out of Committee last fall. I would stress the point made in Bert's memo that our interest may be as important as any other factor in keeping the bill alive. I agree with Bert that there are essentially two options:

-- Oppose the bill. This would raise the full employment issue in a highly visible way.

Charlie Schultze which avoids a direct split but which may well not be acceptable to Hawkins. Since we did make numerous positive statements about Humphrey-Hawkins during the campaign; since Congressman Hawkins has made truly good faith efforts to accommodate every change we suggested (both during and since the campaign); and because of the already somewhat strained feelings among some Congressional liberals, it is important that the Administration be perceived as having made every effort to reach an accommodation. If our offer is ultimately rejected by Hawkins, the rejection will be his, not ours.

Since this is an issue on which the majority of Congressional Democrats seem to share our own reservations, I would urge that Frank Moore engage in private discussions with a range of leading Democrats, including the Speaker and the Majority Leader, and then report to you.

In no case should you presently become involved at this point.

WASHINGTON

Date:

June 1, 1977

MEMORANDUM

FOR ACTION:

The Vice President to by older Stu Eizenstat Charles Schutlze - Loven Hamilton Jordan Frank Moore Jack Watson

FOR INFORMATION: Jody Powell

and walker Midge Costanza Landon Butler Ne - but well have the quate to line

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 5/31 re Tactics of the Humphrey-Hawkins

Bill.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 2:00 P.M.

DAY: Friday

**DATE:** June 3, 1977

**ACTION REQUESTED:** 

X Your comments

Other:

STAFF RESPONSE:

\_\_\_ I concur.

No comment.

Please note other comments below:

# PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

ACTION	FXT	
1	1	MONDALE
7	1	COSTANZA
	1	EIZENSTAT
		JORDAN
	]	LIPSHUTZ
1	_	MOORE
	/ 1	POWELL
Z	1	WATSON

I	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to
	Carp/Huron within
	48 hours; due to
	Staff Secretary
	next day

X	FOR STAFFING
	FOR INFORMATION
П	FROM PRESIDENT'S OUTBOX
П	LOG IN/TO PRESIDENT TODAY
П	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
	BRZEZINSKI
1	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

		KRAFT
		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
1		SCHULTZE
		SIEGEL
		SMITH
	1	STRAUSS
		WELLS
		VOORDE

### WASHINGTON

June 4, 1977

MEMORANDUM TO:

THE PRESIDENT

FROM:

Jack Watsonfack

SUBJECT:

RESPONSE TO BERT LANCE'S MEMORANDUM ON HAWKINS/

HUMPHREY ISSUE

My staff has followed this issue closely and underscores how important it is for the Administration to develop its position as soon as possible. They note the importance of negotiating with Tip O'Neill but also with the Black Caucus. In contrast to Pat Harris's view, they believe it would be a mistake to negotiate with the Caucus as a group and suggest instead a series of individual meetings because the interests of some members diverge. As you know, the Caucus is giving this bill the highest priority during the 95th Congress, and it makes sense to me to proceed in our dealings with them with the utmost sensitivity.

Date:

June 1, 1977

FOR ACTION:

The Vice President Midge Costanza Landon Butler Stu Eizenstat Charles Schutlze Hamilton Jordan

Frank Moore

FROM: Rick Hutcheson, Staff Secretary

MEMORANDUM

FOR INFORMATION: Jody Powell



LOGGED

Date 6/2

Routing CLS MA

SUBJECT: Bert Lance memo 5/31 re Tactics of the Humphrey-Hawkins

Bill.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 2:00 P.M.

DAY: Friday

DATE: June 3, 1977

**ACTION REQUESTED:** 

X Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

# PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date:

June 1, 1977

**MEMORANDUM** 

FOR ACTION:

The Vice President
Midge Costanza Landon Butler
Stu Eizenstat Charles Schutlze
Hamilton Jordan
Frank Moore
Jack Watson

FOR INFORMATION: Jody Powell

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 5/31 re Tactics of the Humphrey-Hawkins

Bill.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 2:00 P.M.

DAY: Friday

DATE: June 3, 1977

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

l concur.

No comment.

Please note other comments below:

RICK 
I WOURD PARTEN, NOT TO

CAMPINET. INSTEAD, I'M ASK

CAMPINET. SPEAK DIVERTLY TO TSEAT

HATT TO SPEAK DIVERTLY TO TSEAT

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

WASHINGTON

June 3, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Bert Lance Memo on Humphrey Hawkins

I concur with Bert's recommendation that we reach a decision as soon as possible on our strategy toward the Humphrey Hawkins bill. I share Bert's reservation about allowing the consultation and compromise process to draft on without resolution and with the potential for a confrontation. In no case should you become involved in the process until we have substantial and firm agreement among the interested parties.

Since this is essentially an issue of delicate legislative strategy, I recommend that you ask Frank Moore and the Vice President to discuss the issue privately with the Congressional leadership, outlining our problems and asking for their advice on how to proceed in order to avoid a divisive battle among Democrats. Following those conversations, it may be useful to discuss this issue collectively with Frank and the Vice President, along with Schultze, Marshall, Lance, Blumenthal and myself. I recommend reserving judgment until these discussions take place.

Date:

June 1, 1977

**MEMORANDUM** 

FOR ACTION:

The Vice President
Midge Costanza Landon Butler
Stu Eizenstat Charles Schutlze
Hamilton Jordan
Frank Moore
Jack Watson

FOR INFORMATION: Jody Powell

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 5/31 re Tactics of the Humphrey-Hawkins

Bill.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 2:00 P.M.

DAY: Friday

DATE: June 3, 1977

**ACTION REQUESTED:** 

X Your comments

Other:

STAFF RESPONSE:

\_\_\_\_ I concur.

\_\_ No comment.

Please note other comments below:

My recollection is that the concept of the Humphrey-Hawkins bill was endorsed by the President during the latter part of the campaign. I feel that this support should be continued and that details of full employment legislation should be worked out with Tip O'Neill. Any backing down on this issue would seriously undermine the hopes and expectations of the liberal and progressive wings of the Democratic Party and it is in the area of unemployment that the Administration could ultimately be most vulnerable.

### PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



# EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MAY 31 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

SUBJECT:

Tactics on the Humphrey-Hawkins Bill

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The real problem is the question of how to convey this sentiment to the Congress without exacerbating already strained relations with the most liberal wing of the party. Some feel that by continuing discussion in the Economic Policy Group and consultations with Representative Hawkins and others we may in fact be raising expectations and indirectly keeping the bill alive.

At this point, we have two possible paths. One is to take up with Tip O'Neill the possibility of working through a compromise based on the very modest alternative the EPG is willing to support. The other is to make our opposition known now. I think it is critical for you to talk with Charlie Schultze and your other advisors within the next few days about which policy to take. Clearly there will be serious political problems with either choice, but I think it is important to make the call now. This will make the situation less awkward, clear the air, and make it much easier to ensure consistency in the testimony which Administration spokesmen will be asked to give on the bill. At the same time, we can emphasize the positive aspects of the proposals that we have made and will make relating to employment creation. And we can endorse once more the concept of full employment. Charlie joins me on urging a quick resolution on this issue.

DATE:	613
TIME:	
ski- uhot	THROUGH BERT  This is  I know. You should  the of the Hill consul-  process as well. I the  process are the  process as well. I the  process as well.

FOR ACTION:

The Vice President
Midge Costanza Landon Butler
Stu Eizenstati Charles Schutlze
Hamilton Jordan

tc. Contrain 321

FROM: Rick Hutcheson, Staff Secretary

Frank Moore: Jack Watson

SUBJECT: Bert Lance memo 5/31 re Tactics of the Humphrey-Hawkins Bill.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 2:00 P.M.

DAY: Friday

DATE: June 3, 1977

**ACTION REQUESTED:** 

X Your comments

Other:

STAFF RESPONSE:

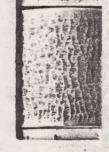
\_\_\_\_I concur.

\_\_ No comment.

Please note other comments below:

### PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



June 14, 1977

Joel Solomon -

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Bert Lance

Re: GSA Activities



TO JMY SOLOMON, GSA

ACTION	
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
X	WATSON

ENROLLED BILL AGENCY REPORT CAB DECISION EXECUTIVE ORDER Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

-	FOR STAFFING
-	
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ARAGON
BOURNE
BRZEZINSKI
BUTLER
CARP
H. CARTER
CLOUGH
FALLOWS
FIRST LADY
GAMMILL
HARDEN
HOYT
HUTCHESON
JAGODA
KING

	KRAFT
X	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE



Administrator

United States of America
General Services Administration
Washington, D.C. 20405

THE PRESIDENT HAS SEEN.

This 'S Bent am 'refo
Make Bent week
Copp each
TC.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on GSA Activities

Following is a brief report on significant activities within the General

Services Administration. Services Administration.

Summer Employment

GSA originally planned to hire 1,174 summer aides, summer clerical, trades, crafts and laborers, and summer interns, but we have now expanded the program to 1,243 people. The majority of the hires will be summer aides. This is a program to provide employment for economically and educationally disadvantaged young people, ages 16 through 21, who might not otherwise have an opportunity for a summer job. The summer aides will be hired in the Central Office and in all ten regions. Our plans to hire 1,000 summer aides throughout the country exceeds the goal established by the Civil Service Commission of 1 summer aide for every permanent employee.

Telephone Service for ERDA's Solar Energy Research Institute (SERI)

On April 14, 1977, ERDA requested GSA approval to install their own PBX at the newly instituted SERI in Denver, Colorado. It is our understanding that ERDA had already requested the telephone company to install the equipment prior to requesting GSA approval. Our initial denial, on April 26, was based on the belief that our Denver CENTREX service could meet their basic telephone requirements at a lower cost. ERDA contended that their requirements, i.e. call forwarding, speed dialing, dial station transfer, after hour operator services, etc., could not be met by the GSA CENTREX. Within a two week period, their requirements increased dramatically in terms of the number of lines and features required. Reconciliation meetings with ERDA served to delineate differences. As the central issue was one of the agency's requirements, the matter was brought to the attention of OMB. We have been informally advised by OMB that:

 ERDA's determination of their requirements at SERI will be upheld as a consequence of the state of flux surrounding the facility and the after hour service needed.

> **Electrostatic Copy Made** for Preservation Purposes

2. ERDA has been admonished that, in all future telecommunications actions, GSA must be given adequate time and information to make a proper determination on service.

We have requested that OMB put this direction in writing. This case typifies a growing trend of agencies to specify requirements in terms of equipment features that cannot be met by most GSA switchboards. We feel that the interaction between GSA, ERDA and OMB in this case is significant in that requirements for sophisticated, expensive telephone service features must have adequate justification and be thoroughly reviewed.

# Stockpile Tin Part of North-South Dialogue

The Paris Ministerial meeting of the Conference on International Economic Cooperation, the North-South dialogue to assist the poor nations in the south, is scheduled to end this week. Expectation at the Conference is that the Carter Administration will ask Congress to approve a U.S. contribution to the International Tin Council's buffer stock. The quantity being reported is 5,000 long tons (approximate value: \$50 million). The tin in question is excess stockpile material. Legislation will be required to affect any U.S. contribution of excess stockpile tin.

### Soviet Concern Over U.S. Strategic Rubber Stockpile

At a recent reception of the Rubber Association of Singapore, a Soviet rubber buyer, in conversation with an Embassy official, manifested concern about the possibility of future GSA stockpiling of rubber. Since early March, Russians have been virtually out of the Southeast Asian natural rubber market. Recently, rumors have been circulating in the Singapore rubber market that GSA is considering "rolling over" some of its old stock. Russian rubber buyers apparently fear that if there is substance to these rumors, and if USSR and GSA both re-enter the market simultaneously in the Fall, the price of natural rubber would skyrocket. This report from Singapore demonstrates the sensitivity of commodity markets to actions or even rumors of anticipated GSA marketing activities.

# FY 1977 Stockpile Sales and Receipts (May 27, 1977)

Sales - \$53,273,000

Receipts - \$97,608,000

A summary of the Stockpile inventory as of May 27, 1977, follows:

	Number of Commodities	<u>Value</u>
Total Inventory	97	\$8.3 Billion
Excess	42	\$3.8 Billion
Available for Sale	27	\$ .8 Billion

### Lead Content in Paint

Public Law 94-317, which lowers the allowable lead content in residential paints to .06 percent effective June 23, 1977, will have a major impact on our procurement of paint. Although the industry has been on notice for some time, it appears that they have taken little or no action to comply with the law. Many specifications, while not actually used on residences, are being included in this restriction under a broad interpretation of the statute. To further compound the problem, complicated test methods have been added and lot-by-lot test reports will be required of contractors. Longer delays in testing, more default actions, and a resultant increase in backorders are anticipated.

# Experimental Technology Incentives Program (ETIP)

The Experimental Technology Incentives Program (ETIP) award for 10,000 lawnmowers calling for a noise level not greater than 82 decibels at the operator's ear was awarded to AMF Corporation on February 22, 1977. The preproduction sample under the contract was approved May 23, 1977, and receipt of the first 2,500 mowers is expected by early July 1977 with final shipments scheduled for completion by September 25, 1977. The National Bureau of Standards and Environmental Protection Agency continue to express considerable interest in this procurement and industry's demonstration that it can obtain noise level reductions.

### Kennedy Library Groundbreaking

Five-hundred guests have been invited to attend the groundbreaking for the Kennedy Library at its Columbia Point site in Boston on Sunday, June 12. The late President's widow and Sen. Ted Kennedy will head the family delegation for the day's events which include a morning mass and an afternoon seminar led by Arthur Schlesinger and Theodore Sorensen on how Presidential libraries and universities should work together.

# Federal Register Briefing

Municipal officials dealing with federal programs in a nine-county area stretching from Stamford, Connecticut, to Trenton, New Jersey, recently received a closed circuit T.V. briefing on the Federal Register. The workshop was conducted by a member of the Register staff and was beamed from Metropolitan Regional Council studios in Manhattan. It reached 150 officials who were able to pose questions back to the briefer via cameras placed at each viewing station. The workshop was paid for by the council. Register staff view the screening as innovatively cost-effective.

### Closing of the Vice Presidential Transition Office

The Vice Presidential Transition Office terminated its activities at 730 Jackson Place, and the space was vacated as of the close of business June 3, 1977. Arrangements were made to remove all GSA property, leased office machines and telecommunications equipment by June 6.

# Disaster Assistance in Southeast Georgia

As a result of the recent declaration of disaster for six counties in southeast Georgia (Savannah-Brunswick area), GSA will provide space for the Federal Disaster Assistance Administration at Glynco, Georgia. In addition, supplies and other support requirements are being processed.

JOEL W. SÔLOMON Administrator

June 14, 1977

Chip Carter Bob Lipshutz Jody Powell Jack Watson

The attached letter was signed by the President and forwarded to Bob Linder for appropriate delivery.

Rick Hutcheson

Re: Protection for James Earl
Carter III

cc: Bob Linder





a day?

ACTION	FYI		
-		MONDALE	ENROLLED BILL
		COSTANZA	AGENCY REPORT
		EIZENSTAT	CAB DECISION
		JORDAN	EXECUTIVE ORDER
	X	LIPSHUTZ	Comments due to
		MOORE	Carp/Huron within
	X	POWELL	48 hours; due to
	X	WATSON	Staff Secretary
. —			next day

	FOR STAFFING
	FOR INFORMATION
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B. RAINWATER
SCHLESINGER
SCHNEIDERS
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SMITH
STRAUSS
WELLS
VOORDE

June 14, 1977

MEMORANDUM FOR THE SECRETARY OF THE TREASURY

I hereby direct protection to be provided, within the powers and duties of the United States Secret Service, for my grandson James Carter, commencing Saturday, June 18, 1977, 8:00 a.m., until further notice.

Finney Carter

The Honorable W. Michael Blumenthal

Secretary of the Treasury Washington, D.C. 20023

June 14, 1977

Frank Moore

The attached was returned in the President's outbox and is forwarded to you for your information.

Rick Hutcheson

Re: Request to call Congressman
Ed Jenkins





ACTION	FYI	
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ENROLLED BILL
AGENCY REPORT
CAB DECISION
EXECUTIVE ORDER
Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND

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# 0

# THE WHITE HOUSE WASHINGTON

June 14, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE F. N.

SUBJECT:

REQUEST TO CALL CONGRESSMAN

ED JENKINS (GA)

Assuming everyone votes as promised:

Right now Congressman Jenkins is going to vote for the 20 per cent plow back. With him voting with us, we get a vote of 20 yes and 17 no; with him against us the vote is 19 no and 18 yes.

I think it is worth your time to call Jenkins, even though Bert Lance is also talking with him.

The vote is expected to come between 1:00 and 2:00 p.m. today. Jenkins' telephone number is 225-5211.

Electrostatic Copy Made for Preservation Purposes

June 14, 1977

The Vice President
Midge Costanza
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jody Powell
Jack Watson

The attached was returned in the President's outbox and is forwarded to you for your information.

Rick Hutcheson

Attachment:

Dept. of Commerce Priority Issues Report
Dated 6/10/77



ACTION	-
1	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

ENROLLED BILL
AGENCY REPORT
CAB DECISION
EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary
next day

П	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
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# THE SECRETARY OF COMMERCE Washington, D.C. 20230

"FYI"

THE PRESIDENT HAS SEEN.

REPORT TO THE PRESIDENT 1977 JUN 11 AM 10 33

Subject: Department of Commerce Priority Issues

The following issues currently are of special interest to the Department of Commerce (DoC):

- Trade Adjustment Assistance and the Shoe Industry. At the time you made your decision on the shoe trade case, you asked the Department of Commerce to take the lead in developing proposals for reforming trade adjustment policies and assistance to the shoe industry. Working with other agencies, the Department has completed its proposals for presentation to the EPG next week. We found the present trade adjustment program inadequate to support your commitment to free trade policies. It suffers from a lack of coordination, excessive delays, inadequate funding, and a failure to use the private sector in solving adjustment problems. We are making extensive policy and organizational recommendations to deal with each of these deficiencies and to create a program that stimulates adjustment and creates jobs. Building upon these recommendations, we will also make proposals for assistance to the shoe industry--particularly assistance that will encourage the industry to help itself become more competitive. You can expect final recommendations on these two issues in the next two weeks so that you can announce your decisions in this area by June 30th.
- Meeting with Business Community. As I have indicated in the past, I have been holding frequent meetings with members of the business community on policy issues. Our session this week focused on three areas:
  - O Labor Law Reform. H.R. 77, which would amend the Labor-Management Relations Act, is opposed by the business community because, among other things, it would allow voting on union representation to occur outside the secret ballot process. Businessmen also oppose provisions of the bill which would change NLRB procedures for settling labor-management disputes. The Administration presently has this bill under review, and DoC will evaluate the business community's objections before presenting our own recommendations to you.

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- o <u>Tax Reform</u>. We had a very preliminary discussion with the businessmen that included Larry Woodworth from Treasury. The principal concern of the business community is that tax reform should serve to stimulate the capital formation we need to meet the Administration's ambitious economic goals. We plan to have a subsequent meeting with them next month before making a more comprehensive report to you.
- O National Health Insurance. Under Secretary of HEW Hale Champion joined us for a discussion of the major issues with respect to broad national health insurance. The business community is supportive of the general principles that you have enunciated, but raised a number of specific questions about the phasing of a national program and the capital needs of individual hospitals and health care centers. They also gave us several useful recommendations on hospital cost containment. We will follow up with additional meetings as the Administration's health plan is more fully developed.
- Cargo Preference. Additional meetings have been held with representatives of the shipbuilding and ship operating industries and maritime unions to discuss a proposed alternative to cargo preference involving an operating subsidy for foreign-built ships. All of these groups rejected this as a viable alternative to a modified form of cargo preference. We are preparing a memorandum for early transmittal to you on the several options now under consideration.

Juanita M. Kreps

Chip.

MLK, Sv. has

a good group

Who want to

Visit the W.H.
Call him - Let it

be during regular

hours-

( )

## THE WHITE HOUSE WASHINGTON

TUESDAY - JUNE 14, 1977 5:00 P.M.

MR. PRESIDENT:

REV. MARTIN LUTHER KING, SR.

CALLED.

Joden Leone Cherin

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#### THE PRESIDENT MAS SEEN.

#### THE WHITE HOUSE

WASHINGTON

June 14, 1977

MEMORANDUM TO THE PRESIDENT

FROM:

JIM FALLOWS J

SUBJECT:

HIRE Conference

Achsah Nesmith prepared the following talking points. Some of it may sound a little familiar after the talk to the veterans' groups this morning.

#### 1. Thanks to:

G. William Miller, incoming president of the National Alliance of Businessmen and chairman of the board and chief executive officer of Textron. He heads the President's committee on HIRE (Hire through Industrial Retraining and Employment), and he has already met with you. You have been impressed that he shares your great concern over this important problem.

The NAB and the Business Roundtable members, who have agreed to create 140,000 jobs for veterans under this program.

Undersecretary of Labor Robert Brown, who is here today representing the Secretary and who will be coordinating the Labor Department effort. The Department has pledged complete support of all its facilities to make the HIRE program a success. You have set aside \$140 million (\$120 million this year, \$20 million next year) to reimburse business and industry for special training required to hire some of these veterans. Others will be hired on a strictly voluntary basis without reimbursement.

2. You have asked these busy men to take time from running the nation's largest businesses to come to the White House today because of the seriousness of the need to get these young men into the nation's work force. Because of the number of jobs needed you have called on the nation's top business leaders who can provide not just ten or twelve or even 100 jobs but at least 500 jobs each in their plants around the country.

Electrostatic Copy Made for Preservation Purposes

- a. Your economic stimulus package included \$6.3 billion for 725,000 public service jobs. You set a goal of 35 per cent of those jobs for Vietnam-era veterans. Although Congress did not make this goal a requirement, the legislation encourages local communities who will administer the program to give veterans priorities. These jobs will provide needed services in parks and community projects while giving young people needed experience and work skills.
- b. The Labor Department is in the process of hiring 2,000 disabled veterans to serve as outreach workers to identify unemployed disabled veterans and help them take advantage of programs available to them.
- 4. Government alone cannot create enough jobs to meet the need. Only the private sector can provide enough permanent jobs to put Vietnam-era veterans back into the mainstream of American life.
  - a. They returned to a weakening economy in which workers were being laid off.
  - b. Now as the economy is regaining its momentum it is crucial that they be among the first to be a part of that growth.

- c. A job is important not only to the financial health of an individual and his family, but to his psychological and physical health as well. A person without useful work is excluded from much of the life around him and the social consequences not only for individuals but for their families and communities are enormous and will continue to haunt our nation if allowed to continue too long.
- d. In the past veterans returned as heroes. When the Vietnam-era veterans returned they found a nation anxious to forget their war had ever happened. We must not punish them for doing their duty when they were called upon. Too often the nation's desire to forget that period seems to have taken the form of forgetting the men who served. They postponed their dreams and risked everything. Many did not return or came home no longer able to pursue the dreams they had before they left. Many found when they returned that they not only were not honored, but that they couldn't even find a decent job. They aren't asking for special privileges -- only for a chance to work and make their own future.

# # #

THE PRESIDENT HAS SEEN.

#### THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT AND MRS. CARTER

FROM: GRETCHEN POSTON

DATE: 7 June 1977

SUBJECT: RECEPTION - June 14, 1977

Inaugural Portfolio Artists

### SCENARIO

4:00 P.M. Guests arrive Southwest Gate and proceed to Rose Garden.

Refreshments served at east end of Garden. Butlers will pass wine and iced tea.

The VICE PRESIDENT and MRS. MONDALE arrive Rose Garden. Mix-and-mingle.

4:40 P.M. The PRESIDENT and MRS. CARTER arrive Rose Garden, and take up position behind standing mike.

Remarks by the President.

Presentation to the President by Portfolio Artists (5).

4:50 P.M. The PRESIDENT departs Rose Garden.

MRS. CARTER'S departure time pending.

5:00 P.M. All quests depart Rose Garden.

Copy provided for the Vice President. Copy provided for Mrs. Mondale.

Electrostatic Copy Made for Preservation Purposes

WASHINGTON

MEMORANDUM FOR THE PRESIDENT AND MRS. CARTER

FROM: GRETCHEN POSTON

DATE: 8 June 1977

SUBJECT: GUEST LIST - Inaugural Portfolio Artists Reception

14 May 1977

The following individuals have been invited to the above noted reception, and the list is being forwarded for your information. Responses are still being received.

Elizabeth Baker, New York City

Editor, Art in America

Mr. and Mrs. Smith Bagley

Washington, D.C.

Mr. and Mrs. Livingston Biddle Accepted

Washington, D.C.

Honorable John Brademas, M.C.

Rep., Indiana

Mr. and Mrs. J. Carter Brown Accepted

Accepted

Washington, D.C.

Mr. and Mrs. Elliot Carroll

Mr. and Mrs. Leo Castelli

New York City

Honorable Silvio Conte and Mrs. Conte

Re., Massachusetts

Renato Danese Accepted

National Endowment for the Arts

Mr. Joseph Duffy

U.S. Department of State

Mr. Jack Duncan

Washington, D.C.

Mrs. Charles Engelhard

Far Hills, New Jersey

Honorable Thomas B., Jr. and Mrs. Evans

Rep., Delaware

Cont.

MEMORANDUM FOR THE PRESIDENT AND MRS. CARTER

From: Gretchen Poston

Date: 8 June 1977

Page 2

Mr. Benjamin Forgey

The Washington Star

Mr. and Mrs. Frank E. Fowler

Look Out Mountain, Tennessee

Mr. Martin Friedman

Minneapolis, Minnesota

Mr. and Mrs. Rubin Gorewitz Accepted

West Nyack, New York

Mrs. Roger Hale, Minneapolis, Minn. Accepted
Mr. Hale, Walker Museum Pending

Ms. Nancy Hanks

National Endowment for the Arts

Mr. David Hidalgo

Washington, D.C.

Mr. Russell Hemenway, New York City Accepted

Will escort Ms. Alice Mason

Mr. Walter Hopps

National Collection of Fine Arts

Mr. Fred Hughes, New York City

Asst. to Mr. Andy Warhol

Honorable Edward M. and Mrs. Kennedy Regretted

Accepted

Accepted

Accepted

Accepted

Sen., Massachusetts

Mr. and Mrs. Gilbert Kinney

Washington, D.C.

Honorable Edward Koch

Rep., New York

Mr. Hilton Kramer

New York Times

Mr. and Mrs. Jacob Lawrence Accepted

Seattle, Washington

Mr. and Mrs. Abram Lerner

Hirshhorn Museum

Ms. JoAnna Lewis

Washingtonian Magazine

Mr. and Mrs. Roy Lichtenstein

South Hampton, Long Island

Cont.

MEMORANDUM FOR THE PRESIDENT AND MRS. CARTER

From: Gretchen Poston Date: 8 June 1977

Page 3

Mr. and Mrs. Herman Maril

University of Maryland

Accepted

Accepted

Ms. Alice Mason

Washington, D.C.

Mr. and Mrs. Set Monijian

Ms. Carol Parsons

Great Falls, Virginia

Mr. and Mrs. James Patton

Great Falls, Virginia

Honorable Claiborne and Mrs. Pell

Sen., Rhode Island

Mr. Robert Peterson

New York City

Mr. and Mrs. Laughlin Phillips

Phillips Collection

Mr. Jerry Rafshoon

Washington, D.C.

Mr. Robert Rauschenberg

Captiva, Florida

Mr. Roger Rosenblatt

The New Republic

Mr. Arnold Schwarzenegger

Santa Monica, California

Dr. and Mrs. David Sellin

Washington, D.C.

Mr. and Mrs. Roy Slade

Washington, D.C.

Mr. and Mrs. Jay Solomon

Administrator, GSA

Mr. and Mrs. Michael Straight

National Endowment for the Arts

Honorable Frank, Jr. and Mrs. Thompson

Rep., New Jersey

Ms. Alma Thomas, artist

National Collection of Fine Arts

Cont.

MEMORANDUM FOR THE PRESIDENT AND MRS. CARTER

From: Gretchen Poston
Date: 8 June 1977

Page 4

Mr. and Mrs. Phillip Walden

Macon, Georgia

Mr. Andy Warhol

New York City

Mr. and Mrs. Stephen Weil

Washington, D.C.

Mr. George Weymouth

Chadds Ford, Pennsylvania

Mr. and Mrs. George White

Architect of the Capitol

Mr. and Mrs. Andrew Wyeth

Chadds Ford, Pennsylvania

Ms. Carolyn Wyeth

Chadds Ford, Pennsylvania

Mr. and Mrs. Jamie Wyeth

Wilmington, Delaware

Ms. Ludmilla Zhivkova

Cultural Affairs Minister for Bulgaria Guest of Mr. Joseph Duffy

#### STAFF

Mr. and Mrs. Hamilton Jordan

Mr. and Mrs. Stuart Eizenstat

Mr. Al Stern

Mr. Barry Jagoda

Ms. Cynthia Howard, Commission on Mental Health

Ms. Bess Abell

Mr. Tom Beard

Ms. Mary Ann Tighe

Mr. Peter Kyros

Ms. Marilyn Haft

Ms. Midge Costanza

Mr. Rick Neustadt

Ms. Carol Benefield

Ms. Catherine Higgins

Ms. Penny Fifer

Ms. Pamela Brill

Accepted

#### WASHINGTON

SUBJECT: Presentation of Inaugural Artists Portfolio

June 13, 1977

MEMORANDUM TO THE PRESIDENT

FROM:

100 JIM FALLOWS

Rick Hertzberg has prepared these notes:

# I. General

- 1. You might say that you welcome this opportunity to pay tribute to the arts -- especially the visual arts -and the role they play in American life. Though we are proud of our material achievements, the real test of a civilization is the life of the spirit, of which painting and sculpture are a primary expression. For thirty years, American painting has been the dominant force in world art. Its vitality and imaginative power have inspired artists and lovers of art everywhere. Some of its most accomplished exponents are in the Rose Garden today.
- 2. One reason for the integrity and vitality of American art is that we have never believed that art exists to serve the interests of the state. On the contrary, both art and government -- at their best -- can serve the noblest impulses in people, each in their own way. What government can do is to make it easier, in a material sense, for artists to do what they would do anyway.
  - Federal support for the arts is now at its highest level ever. You might say that you are glad that Congress, for the first time ever, appropriated the full amount requested this year for support of the arts.
  - We have expanded the Challenge Grant program -and are seriously considering expanding it again if it works out well in the coming year. Under this program, private and local government funds for the arts are matched by Federal funds in a bigger ratio the more money is raised. It's a way of using Federal money as a lever to raise other funds.

#### WASHINGTON

June 13, 1977

MEMORANDUM TO THE PRESIDENT

FROM:

JIM FALLOWS JW

SUBJECT:

Additional Background for Inaugural Artists

This additional information, which Rick Hertzberg gathered, may be useful in case you do any socializing after your remarks.

1. Madame Zhivkova: You will probably be introduced to Madame Lyudmila Zhivkova (JEEV-ko-vah), age 34, who is Chairman of the Bulgarian Committee on Culture and daughter of Head of State and Party Chief Zhivkov. She is visiting New York (where she will open the Thracian Art Exhibit at the Metropolitan), California, and Washington, where she will sign the new U.S.-Bulgarian cultural-scientific exchanges agreement.

Madame Zhivkova's visit coincides with the Bulgarian Government's decision to allow two Bulgarian children -- the focus of the long-standing and sensitive Marev divided family case -- to come to the U.S. (arrived June 8) to visit and become reacquainted with their parents. It is expected that the girls will choose to remain with Mr. and Mrs. Marev, who have maintained a vigil outside the State Department for almost 10 months.

The visit of Madame Zhivkova and the resolution of the Marev and other divided family cases signifies the Bulgarian Government's desire to improve relations, although, according to the State Department, there is little prospect that Bulgaria will undertake a foreign policy course at variance with Moscow's in the foreseeable future.

- 2. According to Mary Ann Tighe of Mrs. Mondale's staff, Robert Rauschenberg is no shrinking violet, and he may buttonhole you on such artists' issues as taxes and royalties on the resale of paintings. Rauschenberg has put much of his own money into a foundation (Change, Inc.) which gives small grants to artists who can't pay the rent or are going hungry. You might commend him for this.
- 3. You may notice a giant of a man with Jamie Wyeth. This will be Arnold Schwartzenegger, the world's leading bodybuilder. Wyeth is doing Schwartzenegger's portrait, the proceeds to go to the President's Committee on Physical Fitness and Sports.

- You might also mention that under the CETA program, local communities can choose to use funds for arts projects (such as paintings in public buildings), in a way that harks back to the old WPA artists' project. Under the economic stimulus package, this kind of activity is certain to increase.
- We hope soon to propose a way in which a modest slice of Federal construction funds will be earmarked to insure that Federal installations are designed in an aesthetically pleasing way. This will involve no increase in spending, just a recognition that buildings should serve the eyes and souls of our people as well as their other needs.

## II. The Portfolio

- 1. The Inaugural Committee commissioned the five artists to produce prints giving their impressions of the Inauguration. The proceeds helped defray the costs of keeping museums open late and other cultural events during Inaugural Week. You might say how delighted you are that the artists responded to this challenge -- and that all of them produced works that say something positive about the new Administration and about the country.
- 2. You might then point to each of the works in turn and say something about each one. Here are some suggestions:
  - Robert Rauschenberg: You might say that Rauschenberg's photo-montage is especially meaningful to you in a personal sense because he has depicted you as a father. And you might read a few lines from the poem which Rauschenberg wrote and incorporated in the work. It is clearly legible, and it concludes:

The people are moving. Their needs guide the laws that lead to legal insistence that the people and the land are inseparable.

Change is not a contest. Change is survival's praise.

Roy Lichtenstein (pronounced Lick-tin-steen):
This is an exhuberant work that is full of symbols of a new beginning: the sunrise (inspired by your early-morning appearance in Plains the day after the election); the hand raised to take the oath (its shape is echoed by the cactus in the middle of the picture); and, most important of all, the scroll overlapping the temple of government --

symbolizing the fact that ours is a system in which institutions are governed by the Constitution and the laws.

- Jacob Lawrence: You might say that you are especially pleased that Lawrence chose to depict the Inauguration in terms of the people, because that reflects your own view of the real meaning of the event. One can almost feel the crisp, cool weather of that clear winter day.
- Jamie Wyeth: Wyeth's series of vignettes captures the immediacy of Inauguration Day, and also some of the informality you have tried to bring to the White House. It's his first venture into printmaking -- a new beginning for him as well as for you.
- Andy Warhol: Warhol's pre-Inaugural portrait
  of you had you looking a little sad; now he's
  got you smiling. You might say that you hope
  that's a good omen.

# III. Acknowledgements

1. You might mention two people: Tom Beard, who made all the arrangements for the portfolio; and Joan Mondale, who has been doing a good job as a kind of ambassador to the arts.

# RECEPTION: Tuesday, June 14, 1977 - Rose Garden, 4:00-5:00 P.M.

(State Dining Room - Rain)

The President and Mrs. Carter

The Vice President and Mrs. Mondale

Mrs. Bess Abell

Mrs. William Abel Smith

124 confirmed

Mr. and Mrs. Smith Bagley Mr. and Mrs. Tom Beard

Ms. Carol Benefield

Mr. and Mrs. Livingston Biddle

Mr. Joseph Bowler Ms. Pamela Brill

Mr. and Mrs. J. Carter Brown

The Honorable John Brademas

Mr. and Mrs. Elliott Carroll

Mr. and Mrs. Leo Castelli

The Honorable and Mrs. Silvio Conte

Ms. Midge Costanza

Mr. Renato Danese

Mr. David Driskell

The Honorable Joseph D. Duffey

Mr. Jack Duncan

Mr. and Mrs. David Dunn

Mr. and Mrs. Stuart Eizenstat

The Honorable and Mrs. Thomas B. Evans, Jr.

Mr. and Mrs. John Everett

Ms. Penny Fifer Mr. Benjamin Forgey

Ms. Nessa Forman

Mr. and Mrs. Frank E. Fowler

Mr. Vincent Freemont

Mr. Martin Friedman

Mr. and Mrs. Rubin Gorewitz

Mr. and Mrs. David Graham

Ms. Marilyn Haft

Mr. and Mrs. Roger Hale

The Honorable Nancy Hanks

Mr. Russell Hemenway

Mr. David Hidalgo

Ms. Kathryn Higgins-Bergwall

Mr. Walter Hopps

Ms. Cynthia Howar

Mr. Fred Hughes

Mr. Barry Jagoda Mr. and Mrs. Hamilton Jordan

Mr. and Mrs. Gilbert Kinney

Mr. Robert Kocacello

The Honorable Edward Koch

Mr. Hilton Kramer

Mr. Peter Kyros

Mr. and Mrs. Jacob Lawrence

Mr. and Mrs. Abram Lerner

Ms. JoAnna Lewis

Mr. and Mrs. Roy Lichtenstein Ms. Nancy London

Mrs. Elizabeth Martin

Mrs. Alice F. Mason

Ms. Amy McFall

Mr. James Mills

Mr. and Mrs. Set Monjian

# RECEPTION: Tuesday, June 14, 1977 - Rose Garden, 4:00-5:00 P.M.

Mr. Joel Odom

Ms. Carol Owens

Ms. Carol Parsons

Mr. and Mrs. James Patton

The Honorable and Mrs. Claiborne Pell

Ms. Wendy Perks

Mr. Robert Peterson

Ms. Helen Pop-Todorova

Mr. and Mrs. Laughlin Phillips

Dr. Ann Radice

Mr. Robert Rauschenberg

The Honorable Frederick Richmond

Mr. Harold Rosenberg

Mr. Roger Rosenblatt

Mr. Arnold Schwarzenegger

Mr. and Mrs. Roy Slade

The Honorable and Mrs. Jay Solomon

Ms. Linda Solomon

Mr. Alfred Stern

Mrs. Michael Straight

Ms. Mary Ann Tighe Ms. Alma Thomas

The Honorable and Mrs. Frank Thompson, Jr.

Mr. Phillip Walden

Mr. Andy Warhol

Mr. and Mrs. Stephen Weil

Mr. Robin West

Mr. George Weymouth

Mr. and Mrs. George M. White Mr. and Mrs. Robert F. Woolworth

Ms. Carolyn Wyeth

Mr. and Mrs. Jamie Wyeth

Ms. Ludmilla Zhivkova

## PENDING - ID data needed

Ms. Elizabeth Baker

Mr. and Mrs. Herman Maril

Mr. Jerry Rafshoon

Mr. and Mrs. David Sellin

WASHINGTON

MORANDUM

Date: June 14, 1977

FOR ACTION:

Tim Kraft

FOR INFORMATION: Fran Voorde

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Report by the U.S. Commission on Civil Rights

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 4:00 PM

DAY: Thursday

DATE: June 16, 1977

**ACTION REQUESTED:** 

X Your comments

TIM: Suggest you check w/Stu & OMB re advisability of meeting

at this time.

STAFF RESPONSE:

\_ I concur.

No comment.

Please note other comments below:

Ded not go in -back to Bunny
Mitchell

## PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Note to Tim- suggest you check

Note to Tim- suggest you check

I stut omes he whisability

I may at This time

12.2 THE WHITE HOUSE ENROLLED BILL MONDALE AGENCY REPORT
CAB DECISION COSTANZA EIZENSTAT EXECUTIVE ORDER JORDAN Comments due to LIPSHUTZ MOORE Carp/Huron within POWELL 48 hours; due to Staff Secretary WATSON next day

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	FROM PRESIDENT'S OUTBOX
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		SIEGEL
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		WELLS
	X	VOORDE

48 hours; due to

Staff Secretary

next day

To: Rich

I am awhelle

my un wh.

July 4
(Thus. - Fr.;)

15 minutes

TH

WASHINGTON

June 14, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BUNNY MITCHELL

The U.S.Commission on Civil Rights has released a report evaluating the civil rights enforcement efforts in the EOP from 1972-1976.

The major finding: Many of the critical failings of Federal civil rights enforcement activities are directly attributable to the lack of comprehensive executive oversight and direction.

The major recommendation: The President should assume responsibility for comprehensive oversight of Federal civil rights enforcement activities and appoint a Cabinet-level advisor in the White House whose primary role would be to make recommendations and to guide the agencies' efforts in this area. Also, a Division of Civil Rights should be created within the OMB Director's Office.

I have sent a memo to Jody in case he is queried during the press briefing.

On June 13, the Commission sent you a letter requesting a meeting to discuss this report and related civil rights matters in July. I have discussed the report and meeting proposal with Howard Glickstein who is heading your Task Force on Civil Rights Reorganization. He concurs that your meeting with the Commission would be timely in view of their report and our current reorganization study.

#### **OPTIONS:**

- 1. Send letter to Commission acknowledging report.
- 2. Arrange a meeting with the Commission in July.

Agree		Disagree	Other
RECOMMENDATION:	#2		

WASHINGTON

INFORMATION

23 June 1977

TO:

BUNNY MITCHELL

FROM:

RICK HUTCHESON

SUBJECT:

Your Attached Memo on Meeting with U.S. Commission on Civil Rights

Tim Kraft has agreed to schedule a 15 minute meeting sometime during the week of July 4 (Tuesday-Friday). I'm sure his office will be getting in touch with you regarding arrangements.

Rather than sending the the attached memo, I suggest that you resubmit the substance of it as the briefing paper for the meeting. Thanks.

cc: Tim Kraft

# THE WHITE HOUSE WASHINGTON

TO:

THE VICE PRESIDENT

MIDGE COSTANZA
STU EIZENSTAT
HAMILTON JORDAN
BOB LIPSHUTZ
FRANK MOORE
JODY POWELL
JACK WATSON

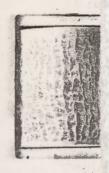
FROM:

RICK HUTCHESON

SUBJECT:

INDUSTRIAL PRODUCTION IN MAY

The original memo has been forwarded to the President. A copy is attached for your information.





# COUNCIL OF ECONOMIC ADVISERS WASHINGTON

CHARLES L. SCHULTZE, CHAIRMAN LYLE E. GRAMLEY WILLIAM D. NORDHAUS 9

June 14, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Lyle E. Gramley L

Subject: Industrial Production in May

The Federal Reserve Board will release tomorrow (Wednesday, June 15) at 4:00 p. m. its estimate of industrial production in May. Output is estimated to have risen 1.1 percent, a very good gain. The April increase was 0.8 percent.

The most heartening news is that output of business equipment increased 1.8 percent last month—and the April rise in this category was revised up to 1.6 percent. Increases of this magnitude suggest that business fixed investment is rising strongly in the second quarter.

The other sizable rise in industrial output in May was in materials—especially durable materials. Output of steel increased nearly 7 percent. This is the fourth consecutive month of large increases in production of materials, and it points to a further rise in the rate of inventory accumulation in the second quarter.

With industrial production and employment data both available through May, it seems clear that real GNP in the second quarter is growing at least as fast as the 6.4 percent annual rate of the first quarter and probably more. Rising inventory investment still seems to be accounting for a good part of the strength in the overall economy, as it did in the first quarter. This source of strength is not likely to last very long. Maintaining satisfactory growth in the second half will depend heavily on whether business fixed investment continues to move up strongly.

V

Electrostatic Copy Made for Preservation Purposes

# THE WHITE HOUSE WASHINGTON

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		WATSON
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ENROLLED BILL
AGENCY REPORT
CAB DECISION
EXECUTIVE ORDER
Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

_	
	FOR STAFFING
	FOR INFORMATION
Г	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ARAGON
BOURNE
BRZEZINSKI
BUTLER
CARP
H. CARTER
CLOUGH
FALLOWS
FIRST LADY
GAMMILL
HARDEN
HOYT
HUTCHESON
JAGODA
KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
1	STRAUSS
	WELLS
	VOORDE

WASHINGTON

Date: June 14, 1977

MEMORANDUM

FOR ACTION:

Fran Voode

FOR INFORMATION:

Tim Kraft - Its up to The Pundent. A Sort cun w/ Rosalyma & Ary Mynt he but true

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: The National Air and Space Museum

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 4:00 PM

DAY: Thursday

DATE: June 16, 1977

**ACTION REQUESTED:** 

X Your comments

Other:

STAFF RESPONSE:

\_\_\_\_ I concur.

Please note other comments below:

\_\_ No comment.

## PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

# THE WHITE HOUSE WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON

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#### WASHINGTON

June 13, 1977

MEMORANDUM FOR

THE PRESIDENT

FROM:

Frank Press FP

SUBJECT:

The National Air and Space Museum

You and your family would find a visit fascinating.

The history of U.S. achievements in flight are artistically portrayed through an unusual wide screen film and exhibition of the original airplanes and spacecraft from The Spirit of St. Louis to the Apollo. One leaves the museum with a sense of pride in our technological achievements.

It is the most popular attraction in Washington, with visitor records since July 1, 1976 as follows:

Air and Space Museum	8,300,000
Washington Monument	1,553,000
Lincoln Memorial	2,872,000
The White House	2,638,000

This memorandum is prompted by an invitation to you extended by former astronaut Mike Collins, museum director.

# THE WHITE HOUSE WASHINGTON

Date: June 14, 1977 MEMORANDUM

FOR ACTION:

Fran Voode

FOR INFORMATION:

Tim Kraft

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: The National Air and Space Museum

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 4:00 PM

DAY: Thursday

DATE: June 16, 1977

**ACTION REQUESTED:** 

Other:

X Your comment

Your comments, in to the President

Set A.M. visit with TSC

NSE: Amy might be the best

STAFF RESPONSE:

l concur.

Please note other comments below:

No comment.